

Benefits . . .

Total Benefits

Benefit Report Data on Closed Claims

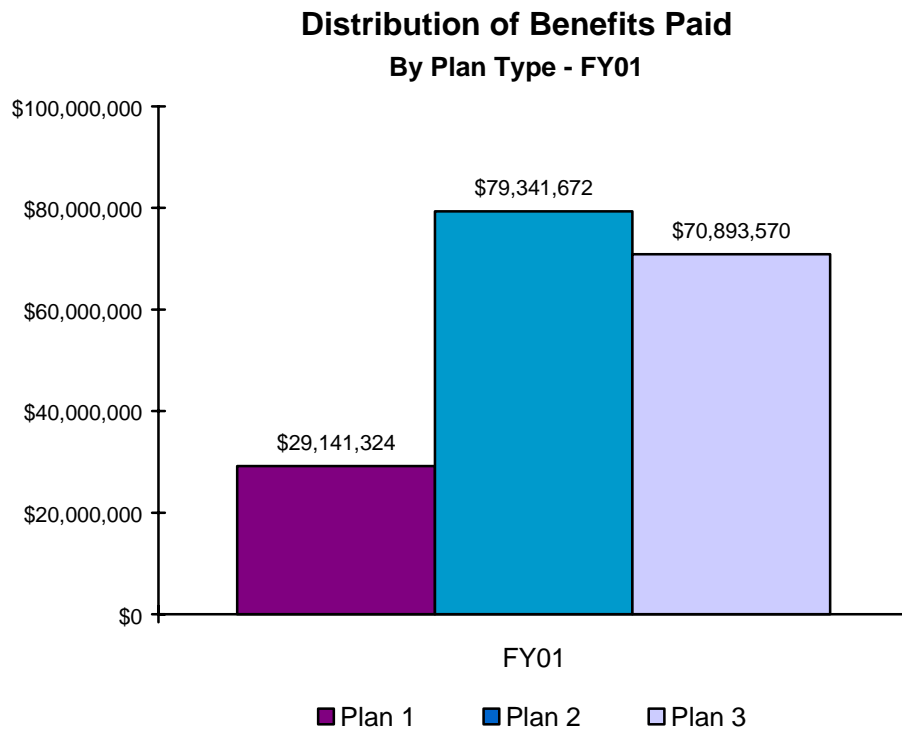
Settlement Dollars

Settlement Attorney Fees

Rehabilitation

Total Benefits

Benefit totals have been updated since the publication of previous annual reports due to the receipt of amended expenditures reports. Total benefits represent indemnity benefits paid to the injured worker and medical benefits paid to hospitals, doctors and other health care providers.



- Plan types: Plan 1 – Self Insured Employers Group, Plan 2 – Private Insurance and Plan 3 – State Fund.

Distribution of Benefits Paid By Plan Type & Fiscal Year

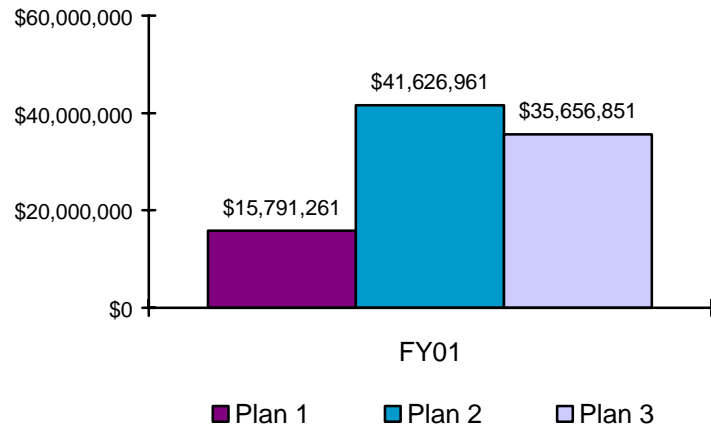
	FY97	FY98	FY99	FY00	FY01
Plan 1	\$22,198,949	\$22,318,282	\$24,793,165	\$24,597,845	\$29,141,324
Plan 2	\$35,954,463	\$42,301,098	\$48,433,414	\$63,801,000	\$79,341,672
Plan 3	\$73,036,463	\$70,713,511	\$66,341,498	\$66,723,654	\$70,893,570
Total*	\$131,189,875	\$135,332,891	\$139,568,077	\$155,122,499	\$179,376,566

Notes:

*Total benefits represent indemnity and medical, filed as of 4-17-2002.



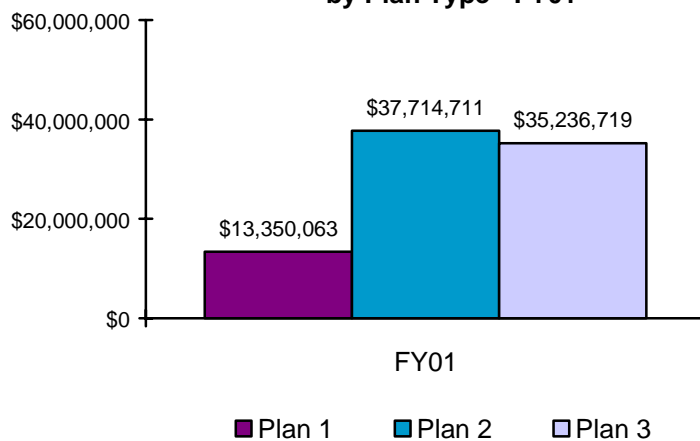
**Distribution of Medical Payments
by Plan Type - FY01**



**Distribution of Medical Payments
By Fiscal Year**

	FY97	FY98	FY99	FY00	FY01
Plan 1	\$10,756,156	\$11,828,831	\$13,403,393	\$13,453,382	\$15,791,261
Plan 2	\$17,063,821	\$19,751,482	\$23,068,709	\$30,718,647	\$41,626,961
Plan 3	\$29,342,000	\$32,161,374	\$31,439,590	\$34,223,740	\$35,656,851
Total	\$57,161,977	\$63,741,688	\$67,911,692	\$78,395,769	\$93,075,073

**Distribution of Indemnity Payments
by Plan Type - FY01**



**Distribution of Indemnity Payments
By Fiscal Year**

	FY97	FY98	FY99	FY00	FY01
Plan 1	\$11,439,793	\$10,489,451	\$11,389,772	\$11,144,463	\$13,350,063
Plan 2	\$18,890,642	\$22,549,616	\$25,364,705	\$33,082,353	\$37,714,711
Plan 3	\$43,694,463	\$38,552,137	\$34,901,908	\$32,499,914	\$35,236,719
Total	\$74,024,898	\$71,591,204	\$71,656,385	\$76,726,730	\$86,301,493

Benefit Report Data on Closed Claims

Temporary Partial Disability (TPD)

Workers are eligible for TPD benefits when:

- prior to maximum medical improvement, they are temporarily unable to return to time of injury position; and
- they return to work in modified or alternative position; and
- they suffer a wage loss; and
- they have been released by their treating physician to return to a modified or an alternative position with the same employer.

Temporary Partial Disability (TPD)					
By Plan & Fiscal Year					
All Plans	FY97	FY98	FY99	FY00	FY01
Average indemnity payment	\$3,461	\$1,823	\$1,817	\$957	\$742
Average duration of benefits paid in weeks	12.7	10	7.2	4.7	4.2
Average duration in days from injury to benefit start date	143	115	123	101	71
Average duration in days between injury date & release/return to work	180	136	178	141	88

TPD Benefits

- TPD benefits are the difference between the injured worker's actual weekly wage and the actual weekly wage earned during the injured worker's temporary partial disability.

Length of TPD Benefits

- 26 weeks (The insurer, however, may extend the benefit period).

Temporary Total Disability (TTD)

A worker is eligible for TTD benefits:

- when the injured worker misses five lost work shifts or 40 hours, whichever occurs first; and
- the injury results in a total loss of wages and exists until the injured worker reaches maximum medical improvement; or
- until the worker is released to employment in which the worker was engaged at the time of injury or to employment with similar physical restrictions.

Temporary Total Disability (TTD)					
By Plan & Fiscal Year					
All Plans	FY97	FY98	FY99	FY00	FY01
Average indemnity payment	\$7,605	\$6,259	\$4,247	\$1,932	\$651
Average duration of benefits paid in weeks	33.2	24.4	13.1	6.7	2.3
Average duration in days from injury to benefit start date	68	59	59	55	38
Average duration in days between injury date & release/return to work	135	121	126	107	75

TTD Benefits

- TTD benefits are 66 2/3% of the wages received at the time of injury, not to exceed the state's average weekly wage at the time of injury.

Length of TTD Benefits

- until the worker reaches maximum medical improvement or is released to return to work.

Permanent Partial Disability (PPD)

Workers are eligible for PPD benefits:

- if they suffer permanent partial disability and are no longer temporarily totally disabled or permanently totally disabled; and
- they have a physical condition that impairs the workers' ability to work after workers reach maximum medical improvement but are able to return to work in some capacity; and
- have a permanent impairment, greater than zero, established by objective medical finding; and
- have an actual wage loss.

PPD Benefits

- PPD benefits are 66 2/3% of the wages received at the time of injury, not to exceed 1/2 the state's average weekly wage at the time of injury.

Length of Benefits

- maximum of 350 weeks.

Permanent Partial Disability (PPD)					
By Plan & Fiscal Year					
All Plans	FY97	FY98	FY99	FY00	FY01
Average indemnity payment	\$7,062	\$6,582	\$5,262	\$3,483	*
Average duration of benefits paid in weeks	28.9	27.5	17.1	10.8	*
Average duration in days from injury to benefit start date	391	370	347	283	*
Average duration in days between injury date & release/return to work	243	217	216	178	*

Notes:

* Represents 1 claim.

Permanent Total Disability (PTD)

The low number of Permanent Total Disability cases prevents statistically significant summary reporting.

Workers are eligible for PTD benefits:

- if they possess a physical condition, after they reach maximum medical improvement, in which they do not have a reasonable prospect of physically performing regular employment; and
- if injured workers are no longer temporarily totally disabled and are permanently totally disabled.

PTD Benefits

- an injured worker may receive 66 2/3% of the wages received at the time of injury, not to exceed the state's average weekly wage at the time of injury. The injured worker may receive a maximum of 10 cost of living increases.

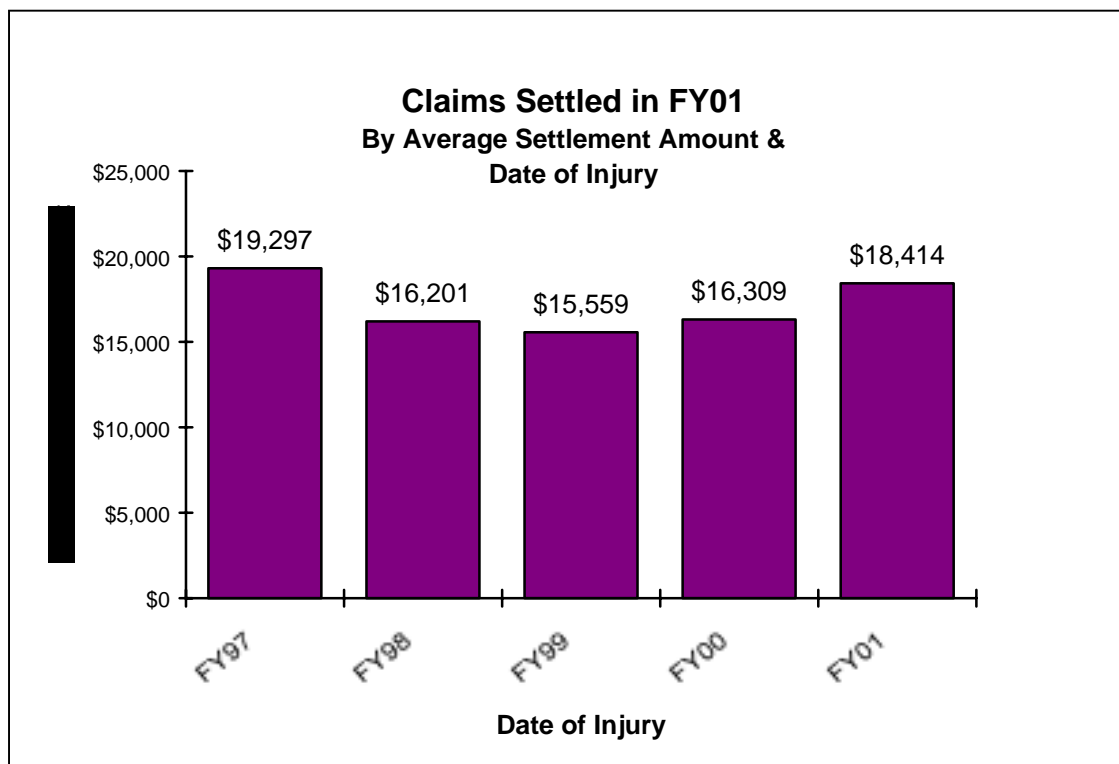
Length of Benefits

- until the injured worker receives, or is eligible to receive, full social security retirement benefits.

Settlement Dollars

A settlement is a lump sum payment of the claimant's workers' compensation benefits. Benefits are usually paid out in periodic payments that are designed to sustain an injured worker over an extended period of time. Settlements can occur when the claimant and the insurer agree that benefits will be converted to a lump sum payment. If the claimant has more than one claim, a settlement may settle more than one of those claims. Settlements are subject to approval by the Department of Labor and Industry.

- This graph displays average settlement amounts for all claims settled in Fiscal Year 2001 and for which the injury date fell during fiscal years 1997 through 2001. This information includes both injury and occupational disease settlements.



Settlement Amounts For Claims Settled in FY01
By Plan & Fiscal Year

Injury Date	FY97		FY98		FY99		FY00		FY01	
Plan	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count
Plan 1	\$5,202,228	251	\$3,512,546	214	\$3,784,523	235	\$3,145,896	219	\$4,104,189	214
Plan 2	\$9,255,433	502	\$7,761,854	541	\$9,358,480	647	\$8,527,389	625	\$9,672,106	608
Plan 3	\$15,182,363	783	\$10,045,904	561	\$7,908,826	471	\$8,630,858	401	\$8,891,551	409
Totals	\$29,640,024	1,536	\$21,320,304	1,316	\$21,051,829	1,353	\$20,304,143	1,245	\$22,667,846	1,231

Settlement Attorney Fees

The Employment Relations Division collects workers' compensation legal expense data on attorney fees claimed for approved settlements. The data collected are used to ensure fees the attorneys charge do not exceed the maximum amounts allowed by law. Legal costs accumulated in defense of a claim, pro-bono work, court awarded fees, fees taken from bi-weekly compensation payments prior to settlement, fees related to uninsured employer claims, benefit advances, or fees related to disputed medical payments are not included.

**Distribution of Settlement Attorney Fees
By Fiscal Year**

	FY97	FY98	FY99	FY00	FY01
Number of Settlement Petitions Processed	1,551	1,342	1,486	1,334	1,339
Claims Settled with Attorney Representation	832	761	708	678	715
Percent Claimants Represented by Attorney	54%	57%	48%	51%	53%
Total Settlement Amount With Attorney Involvement	\$20,201,459	\$15,239,197	\$13,898,051	\$14,169,102	\$16,734,211
Total Attorney Fees	\$3,442,810	\$2,538,738	\$2,490,854	\$2,620,749	\$3,028,678
Percent Fees to Settlement	17.0%	16.7%	17.9%	18.5%	18.1%

- Similar to reports issued in previous years, there is a small percentage of records for which no attorney fees were listed due to both entry errors and reporting limitations.
- The information provided reflects settlements only and does not include advances, fees associated with biweekly compensation benefits, disputed medical benefits, court awarded fees, or amounts from lump sum payments not resulting in settlements.
- Total net settlement amounts included in the list are approximations. The settlement amounts do not include annuities.

**Attorney Representation as a Percent of Reported Claims
By Fiscal Year**

	FY97	FY98	FY99	FY00	FY01
Total Number of Claims	33,820	31, 979	31,723	33,075	33,549
Claims with Representation	1,128	1,060	1,062	987	772
Claims without Representation	32,692	30,919	30,661	32,088	32,777
Approved Attorney Fee Agreements	3.3%	3.3%	3.3%	3.0%	2.3%

Rehabilitation

The best possible outcome after an injury is for the injured worker to return to work. Sometimes a disabled worker needs help to become employable again. The expense of vocational rehabilitation pays off when the worker becomes as productive and self-sufficient as possible.

Rehabilitation benefits are paid bi-weekly while completing the rehabilitation plan. Benefits are $66 \frac{2}{3}$ of wages received at the time of the injury, not to exceed the state average weekly wage, for up to 104 weeks. A disabled worker may also receive payment for tuition, fees, books, and other reasonable and necessary retraining expenses.

The worker's rehabilitation plan must be started within 78 weeks of reaching maximum medical improvement (MMI), must be completed within 26 weeks of the completion date specified in the plan, and may not exceed 104 weeks. In addition, the insurer may pay auxiliary benefits up to \$4,000 for reasonable travel and relocation expenses.

Rehabilitation benefits are provided to claimants under certain circumstances. For disabled workers to qualify for these benefits, they must:

- have a permanent impairment established by objective medical findings, resulting from a work related injury, that precludes them from returning to their time-of-injury job or a job with similar physical requirements
- have an actual wage loss
- have at least 15% medical impairment established by objective medical findings and no wage loss.

The injured worker must have reasonable vocational goals and re-employment opportunities that will likely reduce the wage loss and have a rehabilitation plan agreed upon with the insurer.

Vocational Rehabilitation Benefits Paid By Plan & by Fiscal Year

Plan Type	FY97	FY98	FY99	FY00	FY01
Plan 1	\$229,321	\$208,125	\$78,884	\$10,153	\$1,692
Plan 2	\$390,303	\$361,898	\$265,575	\$235,851	\$48,396
Plan 3	\$335,276	\$690,758	\$597,854	\$221,651	\$37,836
NOC	\$0	\$576	\$0	\$0	\$0
Total	\$954,899	\$1,261,357	\$942,313	\$467,655	\$87,924

Notes: NOC means Not Otherwise Classified.

Industrial Accident Rehabilitation Trust Fund (IARA)

For injuries occurring on or before June 30, 1997, disabled workers may be paid vocational rehabilitation expenses from funds in the industrial accident rehabilitation account. This is a state special revenue fund. Payments to the account are made each year from an assessment to Plan 1 employers, Plan 2 insurers, and Plan 3 (State Fund), not exceeding 1% of compensation paid to injured employees in Montana during the preceding fiscal year.

The 1997 Legislature removed the Department of Public Health and Human Services from the IARA approval process (Senate Bill 62). In addition, the Legislature made the Department of Labor and Industry responsible for processing IARA requests on claims with dates of injury prior to July 1, 1997. Workers injured after July 1, 1997, will agree on a rehabilitation plan with their insurer and the insurer will pay the expenses directly. As a result of this change, the departments' data about the Rehabilitation Trust Fund begins with FY1998 information.

Rehabilitation Trust Fund Use

(Injuries occurring on/before 6/30/97)

Plan Type	FY98	FY99	FY00	FY01
Plan 1	\$8,560	\$52,865	\$37,492	\$37,492
Plan 2	\$27,043	\$46,634	\$36,681	\$36,681
Plan 3	\$122,347	\$230,178	\$103,333	\$105,855
Total	\$157,950	\$329,677	\$177,506	\$180,028

- Plan 1 had 5 injured workers receiving trust fund monies; Plan 2 had 3 injured workers; and Plan 3 had 11 injured workers in fiscal year 2001.